

CITY OF MCMINNVILLE
MINUTES OF THE DINNER MEETING of the McMinnville City Council
Held at the Kent L. Taylor Civic Hall on Gormley Plaza
McMinnville, Oregon
January 27, 2015 at 6:00 p.m.

Presiding: Rick Olson, Mayor

Recording: Rose A. Lorenzen, Recording Secretary

Councilors:	<u>Present</u>	<u>Excused Absence</u>
	Scott Hill	Alan Ruden
	Kevin Jeffries	Larry Yoder
		Remy Drabkin
		Kellie Menke

Also present were City Manager Martha Meeker, City Attorney Candace A. Haines, Community Development Director Mike Bisset, Finance Director Marcia Baragary, Auditor Rob Moody, Consultant Bob Wells, and a member of the news media, Don Iler of the *News Register*.

DINNER

CALL TO ORDER: Mayor Olson called the Dinner Meeting to order at 6:30 p.m. and welcomed Talbot, Korvola & Warwick Partner Rob Moody, and Financial Consultant Bob Wells. Mayor Olson briefly reviewed the agenda.

POLICE CHIEF OATH OF OFFICE: Mayor Olson advised that he would administer the Oath of Office to incoming Police Chief Matt Scales.

YAMHILL COUNTY STRATEGIC INVESTMENT FUND AND ECONOMIC DEVELOPMENT SMALL GRANTS AND THE 2015 GREEN4GROWTH GRANT: Mayor Olson advised in addition to Yamhill County Commissioner Springer's and Waste Management Marketing Representative Lang's presentation, several people from the audience would be speaking to the Council regarding these grants.

Councilor Drabkin advised that she had received a telephone call from someone who had suggested that the \$150,000 2015 Green4Growth grant was a bribe. She advised that she would make a disclaimer at the Regular Meeting.

Discussion ensued regarding the nature of the offered grants and choices the Council could make if it was determined that the grants would be accepted.

PRESENTATION OF AUDIT FOR FISCAL YEAR 2013 - 2014 AND MID-YEAR REPORT: Finance Director thanked Mr. Moody and Mr. Wells for their attendance at this meeting. She noted that they would also attend the Regular Meeting to give their individual reports.

TRANSIENT LODGING TAX GRANT PROCESS AND RESOLUTIONS: City Manager Meeker advised the City Council that TLT Chair Erin Stephenson would brief the Council regarding the upcoming Strategic Planning Session that will occur on January 28 and February 12, 2015.

Ms. Meeker reminded the Council that each of the five recommended grant requests had been approved by the Council on November 18, 2014 and the resolutions for each of the grants would be presented at the Regular Meeting.

Discussion ensued regarding the qualifications that were necessary for each non-profit to submit a grant request.

ADJOURNMENT: Mayor Olson adjourned the Dinner Meeting at 6:54 p.m.

Rose A. Lorenzen, Recording Secretary

CITY OF MCMINNVILLE
MINUTES OF REGULAR MEETING of the McMinnville City Council
Held at the Kent L. Taylor Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, January 27, 2015 at 7:00 p.m.

Presiding: Rick Olson, Mayor

Recording: Rose A. Lorenzen, Recording Secretary

Councilors:	<u>Present</u>	<u>Excused Absence</u>
	Remy Drabkin	Scott Hill
	Kevin Jeffries	Alan Ruden
	Larry Yoder	Kellie Menke

Also present were City Manager Martha Meeker, City Attorney Candace A. Haines, Police Chief Matt Scales, Finance Director Marcia Baragary, Wells Consulting Financial Consultant Bob Wells, Talbot Korvola & Warwick Partner Rob Moody, Police Captain Dennis Marks, and a member of the news media, Don Iler of the *News Register*.

AGENDA ITEM

CALL TO ORDER: Mayor Olson called the meeting to order at 7:00 p.m. and welcomed all in attendance.

PLEDGE OF ALLEGIANCE: Councilor Ruden led in the recitation of the Pledge of Allegiance.

INVITATION TO CITIZENS FOR PUBLIC COMMENT: Mayor Olson asked for comments from the audience regarding items not on the evening's agenda.

Ilsa Perse, 5765 Mineral Springs Road, Carlton, thanked the City Council for their past support of non-expansion of the Riverbend Landfill. She extended an invitation to the City

Council to send a representative to the Board of Commissioners' public hearing that will occur in the near future. Mayor Olson thanked Ms. Perse and advised that the Council would determine who would attend the hearing.

1 OATH OF OFFICE: Mayor Olson administered the Oath of Office to newly confirmed Police Chief Matt Scales. Many past and present members of the McMinnville Police Department and members of Chief Scales' family were in the audience to offer him congratulations.

2 PRESENTATION ON YAMHILL COUNTY'S STRATEGIC INVESTMENT FUND GRANT AND ECONOMIC DEVELOPMENT SMALL GRANT AND THE "2015 GREEN4GROWTH" - A COMMUNITY PARTNERSHIP GRANT: Mayor Olson invited Waste Management Marketing Representative Jackie Lang and Yamhill County Commissioner Allen Springer to present their grant opportunities.

Commissioner Springer presented the two 2015 grant opportunities that the County would administer. He noted that these grants were funded through proceeds from the Oregon Lottery. He advised that the process was quite streamlined and simple and the focus of the grants was to promote the health and economic development of Yamhill County.

Ms. Lang spoke to the City Council regarding the "Green4Growth" grant opportunity that was being funded by Waste Management. She explained that the grants (\$15,000 to each city in Yamhill County for a total of \$150,000) were intended to fund economic development in Yamhill County.

Councilor Drabkin advised that she had been approached by a community member earlier in the day who felt that the grant opportunity was questionable. She asked why, specifically, Waste Management was targeting cities in Yamhill County as opposed to other businesses or non-profits. Ms. Lang responded that the Yamhill County Board of Commissioners' advice had been that cities provided the best value.

Commissioner Springer stated that Yamhill County would not see any of the proceeds of the grants and that the City Councilors should keep their attitude towards the landfill and should take the money.

Councilor Hill asked whether the grant funds were coming from a Waste Management giving foundation or as a gift from the company itself. Ms. Lang responded that Waste Management has no foundation and that the funds were a result of money raised from Waste Management's national suppliers during a large golf tournament.

Councilor Yoder pointed out that in light of the vast areas Waste Management serves and the various places that the grant dollars could have gone, it raises a red flag with him because of all the controversy surrounding the landfill

expansion. He wondered if Yamhill County had been targeted. He thanked Ms. Lang for her presentation.

Commissioner Springer stated that Yamhill County had not been targeted and that in Multnomah County, \$200,000 had been given to the Oregon Food Bank and \$250,000 to Metro in a public-private partnership.

Councilor Jeffries stated that he originally had been in favor of the grants that Waste Management was offering; however, he began thinking about sustainability and while he appreciated a business that functions in Yamhill County, he felt that McMinnville was a targeted community. He pointed out that if the funds had been available to a private company, such as Betty Lou's, he would have no problem; but this, to him, did not meet that standard. He advised that the City has made it very clear that the landfill is not good for McMinnville.

Ms. Lang advised that her door was always open to discuss the matter and that Waste Management's approach is a triple bottom line - financial, environmental, and people.

Mayor Olson asked for comments from the audience.

Bruce Waltz, 2172 NW Michelbook Lane, observed that the landfill had been in Yamhill County for 27 years and now, just three weeks before the Yamhill County Board of Commissioners' public hearing, Waste Management decided to give money to the Yamhill County communities. He stated that the timing of the grant offer was troubling and he encouraged the City Council to keep its thoughts regarding Riverbend landfill.

Robert Tracy, 1160 Tall Oaks Drive, advised that he was able to smell the dump on calm summer mornings from his southwest McMinnville home. He stated his opposition to the landfill and its proposed expansion and noted that he believe that it was extremely transparent why the funds were being offered at this time. He felt that the landfill was particularly detrimental and that it would not look good to take money prior to judicial decisions that are scheduled to be made in the next few weeks. He encouraged the Council to graciously decline the funds.

Sid Friedman, P O Box 1083, McMinnville, advised that he represented The Friends of Yamhill County (FYC) and stated that FYC believed it was no coincidence that Waste Management had chosen Yamhill County and Metro out of all North America to offer grants. He advised that he believed it to be inappropriate and had the appearance and reality of trying to influence the decision-making process. He asked the City Council to please tell Waste Management "thank you but no thank you."

Ramsey McPhillips, 13351 McPhillips Road, stated that in a short period of time, decision makers will be sitting in

this room to determine the outcome of a land use process involving Waste Management. He stated that he believed Waste Management had attempted to influence public opinion and votes. He pointed out that Metro is opening an investigation as to the capacity of the landfill and the amount of garbage they send to Riverbend. He advised that they learned that 64 percent of the garbage coming into Riverbend was coming from Metro. For Waste Management to give Metro \$200,000 could certainly have a huge influence on Metro's decision. He suggested that the City Council tell Waste Management that they would love to take the offered \$15,000 when and if the landfill expansion is denied. He advised that he is the current president of Zero Waste in McMinnville and that organization advocates a transfer station for McMinnville, rather than the landfill.

Mayor Olson thanked those in the audience for their comments and brought the discussion back to the Councilors.

Following discussion, Councilor Ruden MOVED to not submit a grant application to Waste Management for the \$15,000 of available grant dollars; SECONDED by Councilor Jeffries.

Mayor Olson asked for a roll-call vote. The motion PASSED by a unanimous roll-call vote.

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NEW BUSINESS

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PRESENTATION OF THE AUDIT FOR FISCAL YEAR 2013 - 14 BY ROB MOODY, PARTNER, TABLOT, KORVOLA & WARWICK, LLP (TKW): Mr. Moody thanked the Council for the opportunity to present the 2013-14 Audit. He advised that it had been a solid audit in terms of working relationships with staff - Finance Director Baragary, Accountant Julie Orth, and the team did a tremendous job of catering to the needs of the auditors and were completely prepared for the audit. He advised that TKW was able to give a clean opinion of the City's financial statements, which is the highest level of assurance the organization can give. He advised that TKW met with the Audit Committee the week prior to this meeting and that he would defer to Councilor Hill for his comments.

Councilor Hill advised that the City had completed a great year, a great audit, and a great working relationship with the auditors. He advised that as a result of findings in the audit, there needed to be a restatement on two accounts. Certain revenues (primarily State shared revenues) had been accounted for on a cash basis instead of recognizing the revenue on a modified accrual basis. For example, gas taxes received from the State in July 2014 for June 2014 should have been recorded as revenue in fiscal year 2013-14. He recognized the Finance Department, stating that from an Audit Committee standpoint, the financial nature of how we do things are some of the best he has heard of or seen in the State of Oregon. He thanked all involved and added that if Councilor Menke were in attendance, she would give the same level of thanks.

3 b

PRESENTATION OF MID-YEAR REPORT BY FINANCIAL CONSULTANT BOB WELLS: Mayor Olson welcomed Financial Consultant Bob Wells. Mr. Wells thanked the Council for the opportunity to present the City's financial forecast. He noted that there are three main pieces of the financial triangle - the audit, the budget, and the forecast. He believed that the forecast was as much or more important than the budget. He complimented the City Council on their conservative fiscal management during the recessionary years and credited the staff and the Council on learning how to management through the difficult times.

He advised that Oregon is slowly coming out of the recession - the economy is improving slowly and property taxes increased this year over last year's values. He reviewed several important factors in the forecast including PERS rates, the Consumer Price Index (CPI), and revenues exceeding expenditures for the last three years. He noted that there has been a healthy investment return in PERS and the experts believe that when the actuarial come in, PERS will be about 90 percent funded. He advised that the City is in a financially healthy situation, which presents the Council with an opportunity to take a bit more risk.

Each of the Councilors thanked Mr. Wells for his report and work with the City's Finance Department.

RECESS / RECONVENE: Mayor Olson asked for a brief recess at 8:19 p.m., he reconvened the meeting at 8:29 p.m.

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OLD BUSINESS

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REVIEW OF TRANSIENT LODGING TAX GRANT PROCESS: Mayor Olson welcomed Transient Lodging Tax Committee Chair Erin Stephenson.

Ms. Stephenson thanked the City Council and stated that it was an exciting evening - the first presentation of resolutions for the expenditure of the grant funds. She noted also that the Committee's Strategic Planning would begin the next day.

Ms. Stephenson answered questions from Councilor Drabkin related to how the Committee defined tourist-related events. She explained that several facets went into the decision-making process, including seasonality of the event - i.e., The Wine and Food Classic SIP! is scheduled during the low season and brings in over 5,000 people and the organization provides a tremendous amount of data regarding its attendees, such as from where they travel. Additionally, SIP! is a reoccurring event. Conversely, the American Legion Conference, which was not funded, was a one-time event, and did not have any precedence.

Councilor Drabkin stated that she was especially concerned about funds going to the SIP! event because the funds will be going to a religious based, private school. Mayor Olson explained that the group looked at the non-profit status of the recipient and at the event, not the primary benefactor. Ms. Stephenson concurred and added that the ordinance stated that the funds must be used by a 501(c)(3) nonprofit organization and must promote tourism. She thanked Councilor Drabkin for her thoughtful questions and stated that she was thrilled that the Council was carefully considering the matter.

Following additional discussion, Mayor Olson thanked Ms. Stephenson for her presentation and stated that he was looking forward to the Strategic Planning sessions.

5 RESOLUTIONS

- 5 a APPROVING THE EXPENDITURE OF \$4,000 OF THE CITY OF McMINNVILLE'S TRANSIENT LODGING TAX FUNDS THROUGH A TRANSIENT LODGING TAX GRANT AGREEMENT WITH THE McMINNVILLE DOWNTOWN ASSOCIATION: Mayor Olson advised that the first five resolutions on which the Council would be voting were related to the Transient Lodging Tax grants approved by the Council in November 2014.

Councilor Yoder MOVED to adopt Resolution No. 2015-3 approving the expenditure of \$4,000 of the City of McMinnnville's Transient Lodging Tax Funds through a Transient Lodging Tax Grant Agreement with the McMinnnville Downtown Association; SECONDED by Councilor Hill. Motion PASSED unanimously.

- 5 b APPROVING THE EXPENDITURE OF \$3,500 OF THE CITY OF McMINNVILLE'S TRANSIENT LODGING TAX FUNDS THROUGH A TRANSIENT LODGING TAX GRANT AGREEMENT WITH THE McMINNVILLE DOWNTOWN ASSOCIATION: Councilor Jeffries MOVED to adopt Resolution No. 2015-4 approving the expenditure of \$3,500 of the City of McMinnnville's Transient Lodging Tax Funds through a Transient Lodging Tax Grant Agreement with the McMinnnville Downtown Association; SECONDED by Councilor Ruden. Motion PASSED unanimously

- 5 c APPROVING THE EXPENDITURE OF \$80,000 OF THE CITY OF McMINNVILLE'S TRANSIENT LODGING TAX FUNDS THROUGH A TRANSIENT LODGING TAX GRANT AGREEMENT WITH THE McMINNVILLE DOWNTOWN ASSOCIATION: Councilor Ruden MOVED to adopt Resolution No. 2015-5 approving the expenditure of \$80,000 of the City of McMinnnville's Transient Lodging Tax Funds through a Transient Lodging Tax Grant Agreement with the McMinnnville Downtown Association; SECONDED by Councilor Drabkin. Motion PASSED unanimously

- 5 d APPROVING THE EXPENDITURE OF \$10,000 OF THE CITY OF McMINNVILLE'S TRANSIENT LODGING TAX FUNDS THROUGH A TRANSIENT LODGING TAX GRANT AGREEMENT WITH SIP! McMINNVILLE WINE AND FOOD CLASSIC: Councilor Hill MOVED to adopt

Resolution No. 2015-6 approving the expenditure of \$10,000 of the City of McMinnville's Transient Lodging Tax Funds through a Transient Lodging Tax Grant Agreement with SIP! McMinnville Wine and Food Classic; SECONDED by Councilor Ruden. Motion PASSED by a majority vote. (NAY: Drabkin.)

5 e APPROVING THE EXPENDITURE OF \$20,000 OF THE CITY OF McMINNVILLE'S TRANSIENT LODGING TAX FUNDS THROUGH A TRANSIENT LODGING TAX GRANT AGREEMENT WITH THE YAMHILL ENRICHMENT SOCIETY: Councilor Jeffries MOVED to adopt Resolution No. 2015-7 approving the expenditure of \$20,000 of the City of McMinnville's Transient Lodging Tax Funds through a Transient Lodging Tax Grant Agreement with the Yamhill Enrichment Society; SECONDED by Councilor Ruden. Motion PASSED unanimously

5 f AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF GENERAL OBLIGATION AND REFUNDING BONDS; AUTHORIZING SUBMISSION OF AN ADVANCE REFUNDING PLAN TO THE OREGON STATE TREASURER; DESIGNATING AN AUTHORIZED REPRESENTATIVE, AUTHORIZING EXECUTION OF THE BONDS AND RELATED MATTERS: Finance Director Baragary explained that this resolution was a housekeeping matter required by the State of Oregon.

Councilor Hill MOVED to adopt Resolution No. 2015-8 authorizing the issuance, sale and delivery of General Obligation and Refunding Bonds; authorizing submission of an Advance Refunding Plan to the Oregon State Treasurer; designating an authorized representative, authorizing execution of the bonds and related matters; SECONDED by Councilor Yoder. Motion PASSED unanimously.

5 g AUTHORIZING THE APPROVAL OF A MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF McMINNVILLE AND THE BUILDING CODES DIVISION, THROUGH THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES: Community Development Director Bisset referred to the informational memorandum in the Council's packet and advised that the state has delegated to the City the authority to enforce building codes and inspections. This document formalizes that agreement.

Councilor Jeffries declared for the record that although he is an employee of the Department of Consumer and Business Services, he has no conflict in this matter.

Councilor Yoder MOVED to adopt Resolution No. 2015-9 authorizing the approval of a Memorandum of Agreement between the City of McMinnville and the Building Codes Division, through the Department of Consumer and Business Services; SECONDED by Councilor Ruden. Motion PASSED unanimously.

5 h RECORDING THE McMINNVILLE CITY COUNCIL'S DETERMINATION THAT A DEFICIENCY DISCLOSED IN THE AUDITOR'S REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2014, HAS BEEN APPROPRIATELY RESOLVED: Finance Director Baragary stated that the resolution was a housekeeping matter required by the State

of Oregon. Councilor Hill added that Page 94 of the City's Comprehensive Annual Financial Report (CAFR) goes further into the matter.

Councilor Hill MOVED to adopt Resolution 2015-10 recording the McMinnville City Council's determination that a deficiency disclosed in the auditor's report for the fiscal year ended June 30, 2014, has been appropriately resolved; SECONDED by Councilor Ruden. Motion PASSED unanimously.

6 a & b

COUNCIL AND DEPARTMENT HEAD REPORTS: No reports were given.

MAYOR'S CHARITY BALL: Councilor Hill reminded all of the upcoming Mayor's Charity Ball. He advised that some tickets were still available for purchase.

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ADJOURNMENT: Mayor Olson adjourned the meeting at 9:09 p.m.

Rose A. Lorenzen, Recording Secretary